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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

WILLIAM A. MUNDELL
CHAIRMAN

JIM IRVIN
COMMISSIONER

MARC SPITZER
COMMISSIONER

DOCKETED

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AZ CORP COMMISSION
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IN THE MATTER OF INVESTIGATION INTO
QWEST CORPORATION'S COMPLIANCE WITH
CERTAIN WHOLESALE PRICING
REQUIREMENTS FOR UNBUNDLED
NETWORK ELEMENTS AND RESALE
DISCOUNTS.

DOCKET NO. T-00000A-00-0194

PROCEDURAL ORDER

BY THE COMMISSION:

During the Commission's April 11, 2002 Open Meeting, the Commissioners directed that the record in this matter be reopened, in order to put into evidence the 2000 customer location and line count by location data.

A Procedural Order was issued on April 19, 2002, which ordered Qwest to provide the information by May 1, 2002, and to have the data formatted and run through the HAI model, and to provide such results to the parties and to the Commission as soon as possible after May 1, but no later than May 24, 2002.

On April 29, 2002, AT&T Communications of the Mountain States and TCG Phoenix (collectively, "AT&T") and WorldCom, Inc., ("WorldCom") filed a Request for Clarification of the April 19, 2002 Procedural Order ("Request"). The Request sought clarification that: Qwest provide the year 2000 customer location and line count information to AT&T and WorldCom, in the format that they have requested, on or before May 1, 2002; either order Qwest or AT&T and WorldCom to provide data to TNS for processing; that the Commission apportion the costs of TNS data processing so that Qwest pays one-half of those costs, with AT&T and WorldCom paying the other half; and that the results from TNS be provided to AT&T, WorldCom, Staff, and Qwest, so the parties can run the HAI model jointly or independently.

On April 30, 2002, a Procedural Conference was held. Qwest had not received the April 29, 2002 Request until shortly before the Procedural Conference, and therefore requested that it be allowed to respond by filing a written response. AT&T also requested the opportunity to respond in

1 writing, and a schedule was established that allowed the parties the time they requested to respond.
 2 Qwest stated on the record at the Procedural Conference that it would comply with the May 1, 2002
 3 deadline and provide the required data. Qwest did provide the information on May 1, 2002.

4 In its May 3, 2002 Response, Qwest stated that it believed that it had and was continuing to
 5 comply with the April 19, 2002 Procedural Order. Qwest stated that it first went to TNS to determine
 6 whether it could perform the work using the necessary 2000 Bureau of Census data that would match
 7 the year of Qwest's customer location data. According to Qwest, "TNS responded that the 2000
 8 Census data it required was not available, meaning that it would have to use pre-2000 data. The TNS
 9 representative also stated that TNS would not be able to complete any formatting of Qwest's data
 10 until four weeks after receiving the data." Qwest states that "[o]nly when it became apparent that
 11 TNS would not be able to perform the necessary work did Qwest contact Stopwatch Maps, a highly
 12 qualified vendor with extensive experience preparing data for use in the HAI model." Additionally,
 13 Qwest argued that there were significant benefits to allowing Qwest to rely on Stopwatch Maps to
 14 prepare the data. Qwest also attached an affidavit from Peter Copeland, Qwest's Director of Service
 15 Cost and Economic Analysis.

16 On May 7, 2002, AT&T and WorldCom filed a Reply to Qwest's Response.
 17 AT&T/WorldCom argued that Qwest may not relitigate its objections to TNS; that TNS can and will
 18 properly update the customer location data; that AT&T and WorldCom did not waive any objections
 19 to Qwest's refusal to use TNS to process the data; and that Qwest should be required to pay half of
 20 the costs of using TNS. AT&T/WorldCom attached an affidavit of Charles White, Vice President of
 21 TNS. In the affidavit, TNS stated that it will:

22
 23 process the Qwest Data consistent with the process TNS used to
 24 process the prior data and consistent with the Commission's
 25 objective to use 2000 data. Specifically, TNS would undertake the
 26 following tasks:

- 26 a. incorporate 2000 TIGER files for geocoding;
- 27 b. Geocode the Qwest Data;
- 28 c. Create surrogate locations for any unsuccessful geocodes;
- d. Incorporate Qwest's wire center boundaries;
- e. Cluster customers; and

1 f. Prepare data for HAI model (including mapping of 1990
2 Census Block Groups to 2000 Census Block Groups in order to
3 utilize previous versions of underlying census data not yet released
4 by US Census Bureau).

5 According to the affidavit, "TNS can use 2000 Census data to the extent that the data is
6 available. The Census Bureau has released the new Census block definitions, their relationship to
7 the 1990 Census block definitions and the Census 2000 TIGER/Line database of geographic
8 features, including roads and Census block boundaries." Additionally, TNS "will use its best efforts
9 to complete the work by May 24."

10 Upon review of the arguments and the affidavits submitted, it is clear that TNS is available
11 and capable of processing the 2000 data in the manner and timeframe desired by the Commission.
12 There is no need to have another vendor become involved in the processing of the data, and the
13 Commission did not reopen the record to relitigate the issue of how TNS processed the data for use
14 in the HAI model. Accordingly, the Request is well taken, and Qwest and ATT/WorldCom are
15 directed, if not having already done so, to provide the 2000 customer location data to TNS so that it
16 can process the data using the available 2000 census data in the manner indicated in Mr. White's
17 affidavit in order to run it through the HAI model by May 24, 2002. Further, AT&T/WorldCom
18 shall pay one-half of TNS' data processing costs, and Qwest shall pay one-half of TNS' data
19 processing costs. Finally, AT&T/WorldCom, Staff, Qwest, and any other interested party shall
20 jointly run the HAI model with the new data, and file a joint rate schedule based upon the model
21 results, no later than May 24, 2002. Although AT&T asked for an evidentiary hearing to be set in
22 its Request, it did not reiterate that request in the Reply filed on May 7, 2002. Given the
23 determination in this Procedural Order that only TNS will be processing the data, it is not clear
24 whether an evidentiary hearing will be required. However, at the April 11, 2002 Open Meeting, the
25 Commission recognized that additional discovery or testimony may be necessary. Accordingly, a
26 hearing date will be set that can be used, if necessary. The parties are directed to continue to work
27 together to minimize and resolve disagreements, so that the Commission can be provided the
28 information it requires in a timely manner.

1 IT IS THEREFORE ORDERED that Qwest and ATT/WorldCom are directed to provide the
 2 2000 customer location data to TNS so that it may process the data in the manner indicated
 3 hereinabove in order to run it through the HAI model by May 24, 2002.

4 IT IS FURTHER ORDERED that AT&T/WorldCom shall pay one-half of TNS' data
 5 processing costs, and Qwest shall pay one-half of TNS' data processing costs.

6 IT IS FURTHER ORDERED that AT&T/WorldCom, Staff, Qwest, and any other interested
 7 party shall jointly run the HAI model with the new data, and file a joint rate schedule based upon the
 8 model results, no later than May 24, 2002.

9 IT IS FURTHER ORDERED that the parties are directed to continue to work together to
 10 minimize and resolve disagreements, so that the Commission can be provided the information it
 11 requires in a timely manner.

12 IT IS FURTHER ORDERED that a hearing is scheduled to commence on June 11, 2002. The
 13 parties are directed to include with their May 24, 2002, joint price schedule, a recommendation as to
 14 whether the hearing is necessary.

15 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive
 16 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

17 DATED this 9th day of May, 2002.

18
 19
 20 
 21 LYN FARMER
 CHIEF ADMINISTRATIVE LAW JUDGE

22 Copies of the foregoing mailed/delivered
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